



HOUSE BILL 834: Modern State Human Resources Management/RTR

2013-2014 General Assembly

Committee: House Appropriations
Introduced by: Reps. Collins, Burr
Analysis of: PCS to Second Edition
H834-CSLR-15

Date: May 13, 2013
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SUMMARY: *Proposed Committee Substitute makes organizational and administrative changes relating to the State Personnel Commission, Office of State Personnel, and State Personnel Act while directing re-naming to reflect modern human resources management; amends the law relating to exempt positions and probationary and career State employees; modifies law on reductions-in-force; revamps the employee grievance procedure; and augments Governor's authority to reorganize and restructure State government.*

[As introduced, this bill was identical to S18, as introduced by Sen. Bingham, which is currently in Senate Finance.]

Part 1. Organization and Administrative Changes

- Section 1.1. Places the Office of State Personnel under the Office of the Governor, ending the placement within the Department of Administration, by amending G.S. 126-3(a).
- Section 1.2 Amends G.S. 126-3(a)(8) on the responsibilities of the OSP to restore authority to conduct performance management, development, and evaluation functions.
- Section 13. Modifies powers and duties of the State Personnel Commission in G.S. 126-4(5) by requiring 12 holidays each year-(with no floating day around Christmas depending on when it falls).

Part II. State Personnel Commission Changes

- Section 2. Amends G.S. 126-2(b), with the same general membership groups and 4 year terms, the composition of the SPC is as follows:
 - Two attorneys (one House, one Senate)
 - Two private industry (one House, one Senate)
 - Veteran State employee in nonexempt supervisory position [not in human resources] (Governor)
 - Regular State employee in nonexempt nonsupervisory position [not in human resources] (Governor)
 - One supervisory local government employee appointed by Governor on recommendation of county commissioners [not in human resources]
 - One nonsupervisory local government employee appointed by Governor on recommendation county commissioners [not in human resources]
 - One member of the general public (Governor)
- Section 2.2 Provides for appointments of Commission members with rotating terms.

Part III. Probationary and Career State Employees

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- Section 3.1. Clarifies definitions and reorganizes G.S. 126-1.1, and reduces term of employment required for career status to 12 months from 24 months. Provides for 12 months of service on probation.

Part IV. Exempt Position Modifications

- Section 4.1 Increases to 1500 from 1000 the number of exempt employee designations allowed under G.S. 126-5(d)(1). Adds the OSP, the Office of State Budget and Management, and the Office of Information Technology Services to the list of covered agencies.
- Section 4.2 Amends G.S. 147-33.77(a) to provide that ITS employees are subject to SPA if not designated as exempt under G.S. 126-5(d)(1).
- Section 4.3 Repeals G.S. 126-5(e) and (f) to eliminate re-employment priority for career State employees designated as policymaking or managerial exempt.

Part V. Reductions in Force

- Section 5.1 States that acceptance or refusal of job offered terminates the RIF priority via new subsection (f1) of G.S. 126-7.1.

Part VI. Employee Grievances

- Section 6.1 Through several repeals and revisions in Article 8 of Chapter 126 of the General Statutes, the legislation revamps the employee grievance process as follows:
 - Grievance must go through agency grievance procedure approved by SPC. *Proposed committee substitute gives the Office of Administrative Hearings power to modify and remand (as well as accept or reject) SPC decision, if the decision is unsupported by competent evidence or is arbitrary or capricious.*
 - Grounds for grievances streamlined and treated the same, rather than six different procedures depending on the type of grievance. *Proposed committee substitute adds the failure to post and the failure to give priority reemployment as additional grounds for employee grievances.*
 - Adds “terms and conditions” to types of actions that can be alleged to be discriminatory.
 - Eliminates grievances alleging that the personnel file contains inaccurate or misleading information. *Proposed committee substitute requires agency to remove misleading or inaccurate information from the file.*
 - Provides grievance appeals go from agency to Office of State Personnel to State Personnel Commission.
- Section 6.2 Hearings by OSP and State Personnel Commission are not contested cases
- Section 6.3 Appeals by noncareer State employees must be filed within 30 days

Part VII. Other Modernizing and Conforming Changes

- Section 7.1 EEO provisions modernized to add disability and genetic information and to eliminate “creed.”
- Section 7.2 Allows flexibility in how to obtain EEO training either offered by OR approved by OSP.
- Section 7.3 Eliminates mandatory reporting and maintains submission to OSP Director for review and approval.
- Section 7.4 Eliminates grievance alleging that the personnel file contains inaccurate or misleading information.
- Section 7.5 Reorganizes and consolidates reporting requirements in State Personnel Act and allows OSP director to ask agencies for specific reports rather than having them automatically generated.
- Section 7.6 Eliminates separate grievance process for political affiliation or influence claims.

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- Section 7.7 Eliminates reporting required to General Assembly on Work Options program.
- Section 7.8 Eliminates reporting required to General Assembly on Voluntary Shared Leave Program.
- Section 7.9 Moves annual compensation survey report to new statute.

Part VIII. Reorganization through Reduction Program

- Section 8.1 Authorizes voluntary Reorganization Through Reduction program to be created for agencies reorganizing and restructuring as one option to be used during reorganization/restructuring process
- Section 8.2 Authorizes directors of OSP and OSBM to develop guidelines for RTR program, including severance and other assistance
- Section 8.3 Authorizes RIF and severance when enough employees do not volunteer for RTR

Part VIII. Renaming/State Human Resources Commission and Office of State Human Resources

As the Part's name indicates and throughout the General Statutes, with boilerplates and instructions to the Revisor of Statutes, including renaming the State Personnel Act to the "North Carolina Human Resources Act."

EFFECTIVE DATE:

The legislation is effective when it becomes law.

The RTR authorization expires December 31, 2014.